



0000153295

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2014 MAY -9 A 9:54

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

BOB STUMP
CHAIRMAN
GARY PIERCE
COMMISSIONER
BRENDA BURNS
COMMISSIONER
BOB BURNS
COMMISSIONER
SUSAN BITTER SMITH
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, LLC, DOING
BUSINESS AS JOHNSON UTILITIES
COMPANY, FOR APPROVAL OF SALE AND
TRANSFER OF ASSETS AND
CONDITIONAL CANCELLATION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

Docket No. WS-02987A-13-0477

Arizona Corporation Commission

DOCKETED

MAY 09 2014

DOCKETED BY

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing
the Direct Testimony of Robert Mease, in the above-referenced matter.

RESPECTFULLY SUBMITTED this 9th day of May, 2014

Daniel W. Pozefsky
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES
2 of the foregoing filed this 9th day
3 of May, 2014 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

5 COPIES of the foregoing hand delivered/
6 emailed this 9th day of May, 2014 to:

7 Teena Jibilian
8 Administrative Law Judge
9 Hearing Division
10 Arizona Corporation Commission
11 1200 West Washington
12 Phoenix, Arizona 85007

11 Robin Mitchell
12 Brian E. Smith
13 Legal Division
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

14 Steve Olea, Director
15 Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

17 Jeffrey Crockett
18 Brownstein Hyatt Farber Schreck, LLP
19 One E Washington St., Suite 2400
20 Phoenix, Arizona 85004
21 Attorneys for Johnson Utilities, LLC

20 Craig A. Marks
21 Craig A. Marks, PLC
22 10645 N. Tatum Blvd, Suite 200-676
23 Phoenix, Arizona 85028
24 Attorney for Swing First Golf, LLC

William Sims III
Sims Murray, Ltd
2020 N. Central Avenue, Suite 670
Phoenix, Arizona 85004

Steve Pratt
65 E. Macaw Ct.
San Tan Valley, Arizona 85143

Alden Weight
928 W. Desert Canyon Drive
San Tan Valley, Arizona 85143

Todd Hubbard
30989 N. Dry Creek Way
San Tan Valley, Arizona 8543

Karen Christian
30836 N. Orange Blossom Circle
San Tan Valley, Arizona 85143

William Anger
Engelman Berger, P.C.
3636 N. Central Avenue, Suite 700
Phoenix, Arizona 85012

James Mannato, Florence Town Attorney
Charles Montoya, Town Manager
775 N. Main Street
P.O. Box 2670
Florence, Arizona 85253

1 Michele Van Quathem
Ryley Carlock & Applewhite
2 One N. Central Avenue, Suite 1200
Phoenix, Arizona 85004-4417
3
4

5 By Cheryl Braulob
6 Cheryl Braulob
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

JOHNSON UTILITIES COMPANY
DOCKET NO. WS-02987A-13-0477

DIRECT TESTIMONY
OF
ROBERT B. MEASE

ON BEHALF OF
THE
RESIDENTIAL UTILITY CONSUMER OFFICE

MAY 9, 2014

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	2
CURRENT STATUS OF PENDING TRANSACTION	2
OVERVIEW OF TRANSACTION	3
REVIEW OF TRANSACTION	5
INCOME TAX REDUCTION	8
LAWSUITS OUTSTANDING	9
EXHIBITS A THRU D	

EXECUTIVE SUMMARY

On December 31, 2013, Johnson Utilities, LLC, dba Johnson Utilities, filed with the Arizona Corporation Commission ("Commission") an application requesting the approval of the sale and transfer of all of the Company's utility assets and operations in Pinal County, Arizona to the Town of Florence, and the cancellation and extinguishment of its Certificate of Convenience and Necessity ("CC&N"). The Town of Florence has tentatively agreed to purchase the utility assets of Johnson Utilities for \$121,000,000 to be financed with the issuance of Industrial Revenue Bonds. The 30 year bonds bear interest at 6.625 percent for the first five years and then increases to 8 percent for the remainder of the life of the bonds. The revenue bonds are being purchased by Mr. George Johnson.

The Town of Florence is committing to purchasing all the assets of Johnson Utilities, has indicated in its testimony that rates for existing customers of Johnson Utilities will remain in place for a minimum of 18 months and that all current and future ratepayers residing in the Johnson Utilities CC&N area, will be provided both water and wastewater services once the sale is completed. The Residential Utility Consumer Office ("RUCO") has no position in this case regarding the approval or disapproval of the sale and transfer of assets between Johnson Utilities and the Town of Florence. RUCO does believe, however, that from the "public interest" perspective that the Arizona Corporation Commission ("ACC") should review and give appropriate consideration to the many comments from current customers of Johnson Utilities questioning the "arms-length" aspect of this transaction. There have been many issues raised by several groups residing in the Johnson Utilities service area and these issues should be resolved prior to the Commission making its final determination.

RUCO further believes that the Settlement Agreement reached between RUCO and Johnson Utilities (Docket No. 08-0180) should be approved prior to the conclusion of the sales transaction. RUCO and Johnson Utilities reached agreement on the reduction of its pass through tax percentage, in the wastewater division, reducing the tax from 36.66 percent to 25 percent. The reduction in rates benefits current Johnson Utilities ratepayers, and the Town of Florence ratepayers, if the transaction is approved, by approximately \$378,000. That benefit will be reflected in the rates after the merger for at least 18 months as RUCO understands it.

INTRODUCTION

Q. Please state your name, position, employer and address.

A. My name is Robert Mease and I'm the Chief of Accounting and Rates for the Residential Utility Consumers Office. ("RUCO") My business address is 1110 W. Washington Street, Suite 220, Phoenix, AZ.

Q. Please state your educational background and qualifications in the utility regulation field.

A. Attachment A, which is attached to this testimony, describes my educational background, work experience and regulatory matters in which I have participated. In summary, I joined RUCO in October of 2011. I graduated from Morris Harvey College in Charleston, WV and attended Kanawha Valley School of Graduate Studies. I am a Certified Public Accountant and currently licensed in the state of West Virginia. My years of work experience include serving as Vice President and Controller of Energy West, Inc. a public utility and energy company located in Great Falls, Montana. While with Energy West I had responsibility for all utility filings and participated in several rate case filings on behalf of the utility. As Energy West was a publicly traded company listed on the NASDAQ Exchange I also had responsibility for all filings with the Securities and Exchange Commission.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present RUCO's recommendations and conclusions regarding Johnson Utilities pending sale of all its utility assets to the Town of Florence and is the transaction in the public interest.

CURRENT STATUS OF PENDING TRANSACTION

Q. What is the current status of the pending sale to the Town of Florence?

A. The Asset Purchase and Lease Agreement between Johnson Utilities and the Town of Florence, as well as the Management Agreement are both in "DRAFT" format and require final approval by the Town Council. At the Town Council meeting held on May 5, 2014, the Council approved a motion to schedule its vote on May 27,

1 2014. The review and final approval of the contract documents has been delayed
2 due to the Towns failure to receive requested documents from Johnson Utilities in a
3 timely manner. ¹

4 **Q. Are the residents of the Town of Florence required to vote prior to the Town**
5 **going forth with the purchase transaction?**

6 A. Yes. "In February of this year, the Town Council approved resolution No. 1421-14,
7 thereby authorizing an election to be held May 20, 2014 on the question of the
8 acquisition of the assets of Johnson Utilities, L.L.C. The election was scheduled
according to the consolidated election law, A.R.S. §16-204."²

9 **Q. Does the sale of Johnson Utility assets included both the water and**
10 **wastewater divisions?**

11 A. Yes. The assets of both the water and wastewater divisions are included in the
12 proposed sale.

13 OVERVIEW OF TRANSACTION

14 **Q. Can you please describe, in summary format, the financial details of the**
15 **proposed sale between Johnson Utilities and the Town of Florence?**

16 A. Yes. The Town of Florence will acquire all of the assets of Johnson Utilities, free
17 and clear of all liens, mortgages, pledges, encumbrances and charges of every
18 kind, which are useful, available for use or necessary for the Towns operation of the
utility business.

19 The Town will assume all of Johnson Utilities' obligations under existing main
line extension agreements and master utility agreements.

20 The transaction will be financed with one or more series of water and sewer
21 revenue bonds issued by The Industrial Development Authority of the City of
Phoenix, Arizona. The 30 year bonds shall bear interest of 6.625 percent per year

22
23
24 ¹ See Exhibit A

² See Direct Testimony of Mr. Charles A. Montoya, page 5

1 for the first five years, and 8 percent per annum thereafter. The bonds will be
2 purchased by Johnson Utilities, L.L.C.

3 The Town will receive \$2,500,000 cash in the off-site facilities hookup fee
4 account and any balance in the Central Arizona Groundwater Replenishment
5 District adjuster fee account.

6 The Town will assume all existing customer accounts and will receive
7 customer deposits held on account.

8 Once the asset transfer is approved by the Commission, the CC&N of
9 Johnson Utilities will be cancelled.

10 The Town of Florence and Johnson Utilities will enter into a management
11 agreement whereby Johnson Utilities will operate the business for a period of five
12 years.

13 **Q. Can you please summarize the contents of the DRAFT Management**
14 **Agreement?**

15 A. The Management Agreement, is a five year agreement, between the Town of
16 Florence and Johnson Utilities, L.L.C. The Town of Florence will pay to Johnson
17 Utilities a \$500,000 annual fee for a period of five years to act as manager of the
18 utilities. It is the intention of both parties to transition the management of the utility's
19 from the Johnson to the Town during the last (3) years of the initial term of the
20 agreement. However, the agreement can be renewed with the consent of both
21 parties for a period up to (2) consecutive terms of (5) years each beyond the initial
22 five-year term.

23 **Q. So Johnson Utilities is selling its water and wastewater utilities to the Town of**
24 **Florence, are buying the bonds to finance the purchase by the Town of**
Florence, and then serving as manager of both utilities for a period of five
years?

A. Yes.

1 **Q. Can you briefly describe the comparative size of the utilities owned by**
2 **Johnson Utilities and the Town of Florence?**

3 A. Johnson Utilities serves approximately 22,954 water customers and 30,901
4 wastewater customers while the Town of Florence serves approximately 3,526
5 water customers and 2,905 wastewater customers.³

6 REVIEW OF TRANSACTION

7 **Q. Are there restrictions placed on the Commission, and other intervening**
8 **party's as to the scope of review allowed when transferring assets from a**
9 **privately owned utility to a municipality?**

10 A. Yes. Per Arizona Attorney General ("AG") Opinion No. 62-7 (January 8, 1962),
11 responding to Commission questions about the Commission's jurisdiction to hold a
12 hearing regarding the transfer of assets from a privately owned water utility to
13 municipal owned utility, in addition to any scope limitations, if such a hearing was
14 even permissible.

15 The AG determined that the Commission has jurisdiction over a public
16 utility's sale of assets to a municipality because Arizona Statutes requires that
17 Commission approval be obtained before a public utility can dispose of its assets.
18 However, the Commission's inquiries are limited to whether the proposed transfer
19 will be injurious to the rights of the public and whether any person is left without
20 service. RUCO's believes that the Commission must always consider whether any
21 transaction is in the public interest.

22 **Q. Are there safeguards in place to ensure that the 93 percent of water and**
23 **wastewater customers residing outside the Town of Florence town limits**
24 **receive adequate service?**

25 A. Yes. By statute, a municipal utility has the responsibility to serve non-resident
26 customers. A.R.S. §9-516 prohibits a city from discontinuing service to non-
27 residents. If the municipality refuses to serve customers in the areas outside the

³ Water and Wastewater Residential Rate Survey as published by the Water Infrastructure Finance Authority of
Arizona ("WIFA")

1 boundaries of the municipality, after taking control of the area, the Commission
2 retains the power to investigate such refusals and issue a new certificate if
3 necessary to provide service.

4 **Q. Has the Town of Florence made commitments to maintain the current rate**
5 **structure for the existing ratepayers of Johnson Utilities?**

6 A. Yes. In the direct testimony of Mr. Charles A. Montoya, Town Manager for the
7 Town of Florence, he states "Based on the Town's economic analysis of Johnson
8 Utilities the Town does not intend to make any changes to the rates charged to
9 Johnson's current customers, as well as those customers acquired after the
10 acquisition, for at least 18 months. Also, since the Town is required to conduct a
11 rate study prior to increasing utility rates pursuant to A.R.S. S 9-511.01, there is
12 normally a significant time lag between the Town's authorization of a rate study and
13 the imposition of new rates."⁴

14 **Q. Are there assurances made by the Town of Florence that all customers,**
15 **whether within or outside the town limits are treated on an equal basis?**

16 A. There basically is no direct provision in the documents reviewed to date that
17 ensures that all ratepayers that reside within and outside the town limits are treated
18 on an equal basis. However,

19 A.R.S. § 9-516(C) speaks in terms of the city rendering utility service without its boundaries.
20 The furnishing of utility service by a public service corporation is regulated by the
21 Corporation Commission, and such utility service must be provided at reasonable rates.
22 Although the Corporation Commission has no jurisdiction over municipal charges for utility
23 service, we believe that the implication of reasonable rates for utility service must be read
24 into A.R.S. § 9-516(C). If such a construction is not adopted, a city could charge any rate it
wished despite its effect on the nonresidents' need for utility service. The legislature did not
intend to place nonresidents of a city in such an impossible situation. The obligation of a city
to continue utility service as required by A.R.S. § 9-516(C) necessarily implies that the
charges for such services will be at reasonable rates.

21 There is additional Arizona case law that states the basic premise surrounding
22 municipal rate setting is the concept of reasonable rates. There are specific
23 requirements that each municipality has to comply in establishing reasonable rates.

24 ⁴ See Direct Testimony of Mr. Charles A. Montoya, Town Manager, page 7

1 **Q. Are there additional recommendations that could be suggested that would**
2 **help alleviate the question of fair treatment for all ratepayers, both inside and**
3 **outside the town limits?**

4 A. As recommended, and adopted, in a prior case⁵ a Citizens Advisory Committee
5 could be appointed that would provide the non-resident customers a voice to
6 promote and address the concerns of the non-resident ratepayer.

7 **Q. Has RUCO made a determination as to the financial viability of this**
8 **transaction?**

9 A. No. Due to the lack of financial details provided by the Company and the Town of
10 Florence, RUCO cannot determine if the deal makes financial sense or not.

11 **Q. What details are you referring too?**

12 A. On the Town of Florence's web site are presentations made by both Johnson
13 Utilities and the Town of Florence. The presentations, made before the Town
14 Council, included certain financial data that appeared to make this transaction a
15 very good deal for both Johnson Utilities, and the Town of Florence. However, the
16 financial details as presented in the presentations cannot be confirmed.

17 **Q. Does RUCO have concerns on the question of whether this could be less than**
18 **an "arms-length transaction?"**

19 A. While RUCO does not have reason to believe that the transaction is not arms-
20 length, there are many residents that are located in the affected service areas that
21 have raised this question. We believe that these concerns should be considered by
22 the Commission prior to approving the asset sale.

23
24 ⁵ See Decision No. 69575. Docket No. W-02124A-06-0717. Desert Hills Water Company for the Approval to Transfer its
Assets to the Town of Cave Creek

1 **Q. Can you please be more specific?**

2 A. Yes. I have attached two separate articles that were published in local newspapers
3 in the area and will highlight those areas that could lead one to question the arms-
4 length issue.

5 **Q. Does RUCO believe that the CC&N should be cancelled immediately after
6 closing the transaction?**

7 A. RUCO believes that the cancellation of the CC&N at time of closing is premature.
8 Based on the AG Opinion 62-7 the ACC should only terminate the certificate of the
9 privately owned public utility being purchased and relieve it from the duties of a
10 public utility service corporation after it is apparent that the municipal corporation
11 has not and will not refuse "to provide utility service to a portion or part of the area
12 or territory previously authorized to the public utility."

11 **INCOME TAX REDUCTION**

12 **Q. Are there any issues that RUCO would like to discuss that remain
13 outstanding?**

14 A. Yes. RUCO would like to ensure that the reduction in wastewater rates, as agreed
15 to by RUCO and Johnson Utilities in Docket No. 08-0180, be implemented and
16 made a part of Johnson's wastewater rates prior to the transfer of its assets.
17 Johnson and RUCO reached agreement to reduce wastewater rates by
18 approximately \$1.02 per month per customer for the wastewater system. This was
19 agreed to as a result of a reduction in Johnson Utilities income tax rate from 36.66
20 percent to 25 percent. The effect of this agreement is a reduction in annual
21 revenues of approximately \$286,000 related to customers on the system at the end
22 of the last test year, and a reduction of approximately \$378,000 in rates based on
23 the number of customers today. It is RUCO's understanding that the Town of
24 Florence agreed to reflect this reduction in its rates for the first 18 months after the
acquisition is approved. Therefore, it is important to RUCO that this reduction be
approved by the Commission prior to its final consideration of the acquisition.

LAWSUITS OUTSTANDING

Q. Are there lawsuits outstanding against Mr. George Johnson by ratepayers that remain outstanding?

A. RUCO has been informed that all lawsuits between Mr. Johnson and ratepayers have been resolved. However, RUCO has not been provided with details to confirm this and would that the Commission be provided with this information prior to final determination of the asset transfer.

Q. Does this conclude your testimony?

A. Yes it does.

EXHIBIT A

EXHIBIT A

ROBERT B. MEASE, CPA Education and Professional Qualifications

EDUCATION

Bachelors Degree Business Administration / Accounting - Morris Harvey College.

Attended West Virginia School of Graduate Studies and studied Accounting and Public Administration

Attended numerous courses and seminars for Continuing Professional Educational purposes.

WORK EXPERIENCE

Controller

Knives of Alaska, Inc., Diamond Blade, LLC., and Alaska Expedition Company.

Financial Manager / CFO

All Saints Camp & Conference Center

Energy West, Inc.

Vice President, Controller

- Led team that succeeded in obtaining a \$1.5 million annual utility rate increase
- Coached accountants for proper communication techniques with Public Service Commission, supervised 9 professional accountants
- Developed financial models used to negotiate an \$18 million credit line
- Responsible for monthly, quarterly and annual financial statements for internal and external purposes, SEC filings on a quarterly and annual basis, quarterly presentations to Board of Directors and shareholders during annual meetings, coordinated annual audit
- Communication with senior management team, supervised accounting staff and resolved all accounting issues, reviewed expenditures related to capital projects
- Monitored natural gas prices and worked with senior buyers to ensure optimal price obtained

Junkermier, Clark, Campanella, Stevens

Consulting Staff

- Established a consulting practice that generated approximately \$160k the first year of existence
- Prepared business plan and projections for inclusion in clients financing documents
- Prepared written reports related to consulting engagements performed
- Developed models used in financing documents and made available for other personnel to use
- Performed Profit Enhancement engagements
- Participated during audit of large manufacturing client for two reporting years

Prior to 1999, held various positions: TMC Sales, Inc. as **Vice President / Controller**, with American Agri-Technology Corporation as **Vice President / CFO** and with Union Carbide Corporation as **Accounting Manager**. (Union Carbide was a multi-national Fortune 500 Company that was purchased by Dow Chemical)

PROFESSIONAL AFFILIATIONS

Member - Institute of Management Accountants

Member - American Institute of CPA's

Past Member –WV Society of CPA's and Montana Society of CPA's

RESUME OF RATE CASE AND REGULATORY PARTICIPATION WITH RUCO

<u>Utility Company</u>	<u>Docket No.</u>
Arizona Water Company (Eastern Group)	W-01445A-11-0310
Pima Utility Company	W-02199A-11-0329 et al.
Tucson Electric Power Company	E-01933A-12-0291
Arizona Water Company (Northern Group)	W-01445A-12-0348
UNS Electric	E-04204A-12-0504
Global Water	W-01212A-12-0309 et al.
LPSCO	SW-01428A-13-0042 et al.

EXHIBIT B



Casa Grande Dispatch
Mesa Herald

Coolidge Examiner
Buckeye Enterprise

Florence Reminder & Blade-Tribune
Arizona City Independent Edition

Trivalley Dispatch

E-Edition [Subscribe](#) [Subscription Services](#) [Contact Us](#) [About Us](#) [NIE](#) [Archives](#)

Advanced Search

GO

Print Page

Page 1 of 5

[Obituaries](#) [Opinion](#) [Courts/Police](#) [Special Sections](#) [Photo Galleries](#) [Public Notices](#) [Books For Sale](#) [Classifieds](#)



inspire
expo

[Home](#) [Florence Reminder Blade Tribune](#) [News](#)

Public will be first to vote on buying JU

Story [Comments](#)

[Share](#) [Print](#) [Font Size](#)

[Tweet](#) 0 [Like](#) 0

More Information

The town's purchase agreement and management contract with Johnson Utilities may be viewed online. Go to the town's website at florenceaz.gov. Point to "Government" and click on "Town Council." Click on "2014 Minutes and Agendas." Under Monday's agenda packet, click "View."

Posted: Thursday, May 8, 2014 1:00 am

By MARK COWLING Editor | 0 comments

The Town Council set a date of May 27 to vote on the town's purchase agreement and management contract with Johnson Utilities, despite pleas from JU that the town's approvals were needed sooner.

Vice Mayor Tom Smith noted at Monday's regular council meeting that the council had only received the documents that day. The purchase agreement numbers 25 pages, plus approximately twice that many pages of exhibits. The five-year management agreement

numbers 19 pages.

Smith said if the council votes first it could sway the public vote scheduled for May 20. He explained afterward that the public may assume, "They already voted, what's the use of us voting? Or something like that."

Smith made the motion to schedule the council's vote for May 27, giving the council time to read the contracts and the public to vote on whether the sale should occur. The council members present passed the motion unanimously. Ruben Montañó was absent.

Before the public portion of Monday's meeting, the council met for two hours behind closed doors on the town's potential purchase of JU, the water and wastewater provider to Anthem and San Tan Valley.

JU attorney Gary Drummond told the council that approving the purchase agreement doesn't unconditionally obligate the town to buy or JU to sell the assets, and "it's not our intent to sway the voters." But without an executed agreement, JU can't go before the Arizona Corporation Commission for its approvals or the Phoenix Industrial Development Authority for the bonds.

"... I don't think what we are requesting is at all unusual," Drummond told the council. "... I think we can do this concurrently instead of sequentially."

Council member Vallarie Woolridge told Drummond that what JU is requesting might work in the corporate world, but when government entities and taxpayer dollars are involved, "we're held to a higher standard."

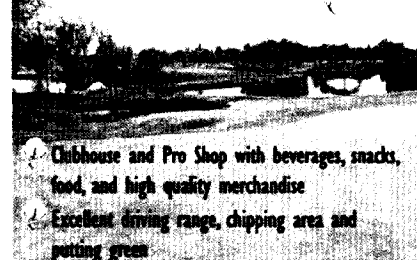
JU owner George Johnson told the council he was "kind of at a loss for words." He said despite other offers, they came to the town and have dealt with the town in good faith. He said the town's economic study, engineering appraisal and accounting study have been done. "Please — either vote us up or down," Johnson asked.

Mayor Tom Rankin asked Town Manager Charles Montoya for his recommendation.

Montoya replied, "Do I think this is a great deal? I do." But he added the town's legal counsel hasn't received all the information it has requested.

Town Attorney James Mannato said they have been requesting the information for "quite some time." He explained after the meeting that the information included line extension agreements with developers and master utility agreements, more than 450 contracts in all, that significantly determine the utilities' future financial obligations.

Dave White Municipal Golf Course



Clubhouse and Pro Shop with beverages, snacks, food, and high quality merchandise
Excellent driving range, chipping area and putting green

73°
Clear



Click for coupons!

[Popular](#) [Commented](#) [Facebook Activity](#) [Stocks](#)

Stories

[CGUHS board backs superintendent](#)

[Casa Grande Police Log 5/7/14](#)

[PCSO claims clinic worker didn't report rape](#)

[Toyota Camry, Mazda 6 sedan](#)

[Debbie Vasquez](#)

[More](#)

[Photos](#)

[Videos](#)

Today's E-Edition

Mannato said the parties met Friday and the town still did not receive the information. Drummond replied that JU thought the Friday meeting was to confirm that the agreement was in its final form to be presented to the council. Because of the size of the utilities, it takes time to pull the various materials together, Drummond said.

Johnson added, "There's been last-minute things thrown at us, thrown at us, thrown at us." He asked the council to approve the contract subject to conditions. He said to stall the process at this stage, "we all look like fools."

Woolridge said she resented being called foolish. She said the town has been requesting the information for some time, and now JU appears to want to fast-track the sale without the town having all the information.

Michael Cafiso, an attorney who has served as the town's bond counsel for 20 years or more, said he supported not rushing the JU agreement.

"The larger these acquisitions, the more time you take with upfront diligence," Cafiso said. "I agree it's a fantastic deal ... but the diligence that he is requesting is not unusual."

He said no one buys a car without driving it, or a house without looking at the inside. "I think those are apt analogies."

Tweet 0 Like 3

Discuss

Share Print

Posted in News on Thursday, May 8, 2014 1:00 am.

More From This Site

- Letter to the Editor, Huddleston
- CG teen dies in weekend crash
- Casa Grande Police Log 5/1/14
- Maricopa sheriff says he can take ICE detainees if deal not reached
- La Paloma Restaurant now open for business

From Around The Web

- Misperceptions of 'Bring Your Own Device' Work Environments (Tech Page One)
- Believe the Hype! The Future of Hyperscale Computing (Tech Page One)
- Are You a Social Security Double-Dipper? Perhaps Not Much Longer (AARP)
- Here are 50 Secrets Your Pets Don't Want You to Know (Reader's Digest)
- 10 States Most Dependent on the Federal Government (Wall St. Cheat Sheet)

Recommended by

From The Web



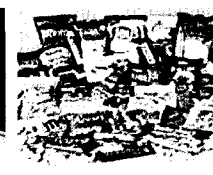
Learn the Art of Short-Term Swing-Trading
SharePlanner



Best Credit Cards For Your Credit Score
Next Advisor Daily



3 Food Ingredients That Are Killing You
Fitness Vixen



Healthy Potato Chip Swaps | 30 Healthy Snacks Everyone Will Enjoy
whynot.com

Sponsored Content by Tannotti

Rules of Conduct

- | | |
|--|--|
| <p>1 Keep it Clean.
Please avoid obscene, vulgar, lewd, racist or sexually-oriented language.</p> | <p>4 Be Nice.
No racism, sexism or any sort of -ism that is degrading to another person.</p> |
| <p>2 Don't Threaten or Abuse.
Threats of harming another person will not be tolerated. AND PLEASE TURN OFF CAPS LOCK.</p> | <p>5 Be Proactive.
Use the 'Report' link on each comment to let us know of abusive posts.</p> |

CAC's playoff run hinges on timely hitting, defense

A Dispatch

Board backs Goodsell in 3-2 vote



Nationwide exam shows no gains for 12th-graders



White House's climate rules can't wait until after election

Fired workers say they were following orders

Thursday - May 8, 2014

12:00 am | See more

Click Classifieds Show and Sell Display Ads

Click Classifieds



Senior 55+ Luxury Condos

posted: May 06



Picture This! Your NEW Home!

Updated: August 26



Promote your Help Wanted ads in Click Classifieds

Updated: August 29

More Click Classifieds

It's time for your checking account to pay you back!

**Enjoy cash back
Earn refunds on your ATM fees -
All for doing what you already do!**

REAL CashBack

EXHIBIT C

Phoenix New Times

Voice Places

More From Voice Nation

Join Sign In

PHOENIX
NewTimes
News

WE HAVE FUN ALL WEEK LONG
Tempa Marketplace • 480.281.8456

NEWS ▾ Search Sub

PHOENIX NEWS | LOCAL NEWS BLOG | FEATHERED BASTARD | SPECIAL REPORTS | ASK A MEXICAN | ARCHIVES SEARCH | WEEKLY NEWSLETTER | GET MOBILE

NO PAYMENTS

TOP
NEWS
STORIES



Big Brain Awards
2014
By New Times



Gulf War Veteran
with ALS is in the
Fight of His Life
By Connor
Radnovich



Bucket List: 100
Things to Do in
Phoenix Before
You Die
By Robert L. Pala
and Amy
Citronman

Tragic Consequences Follow Mayor Tom Rankin's Control of Politics and Police in Florence

By Stephen Lemons and Monica Alonzo Thursday, Dec 5 2013

Comments (54) A A A

Tweet 11

8+1 0

SPECIAL REPORT: FLORENCE EXPOSED | *Third of three parts*

Seated in a conference room near his Florence Town Hall office and dressed in his standard collared shirt, silver belt buckle, cowboy hat, jeans, and roughed-up cowboy boots, Mayor Tom Rankin looks as if he has stepped out of Florence's frontier past.



Erin Stauder



Rankin says Pinal County Attorney Lando Voyles (pictured) cost him \$40,000 a year by shutting down the system of child-support enforcement that gave work to Rankin's process-service company, transferring that system to the state.

And minus the sidearm and badge he wore when he was the town's chief of police from 1980 to 1994, this is pretty much how he appeared during his 14-year reign over the Florence Police Department.

Rankin still prefers the title he says he used to go by, before Florence began to give lip service to the tenets of modern law enforcement: town marshal.

"I guess I fit more of that [title] than police chief," Rankin, 67, explains during an interview with *New Times*. "As far as the Western town marshal goes."

In Arizona statutes, the words "marshal" and "chief of police" are used interchangeably to mean a law enforcement officer who is either appointed or elected by a city or town. For some time in Florence, the town manager (hired by the Town Council) has appointed the police chief.

Yet the more antique term of "marshal" suggests a time when one man represented the law in a town.

Now Trending



10 Most Stereotypical Ways to Die in Arizona



Donovan McNabb the Latest Athlete to Be Arrested for DUI in the Phoenix Area



Oral Sex a Hopi Medicine-Man Tradition? Not.

Reduced Price GA Tickets to Chandler Craft Sprints Festival

VOICE DAILY DEALS
VoiceDailyDeals.com
View Deal

FAMILY STORE

GRAND OPENING MAY 12TH!

Around The Web



Anwar Zayden: Miami Wildman and Internet Hero
Miami New Times



Think That Autograph Is Real? Think Again.
Riverfront Times



What is TerRio's Dance Doing to Him?



Rankin appeared as an extra in the 1986 movie *Murphy's Romance*, filmed in Florence.



Florence Mayor Tom Rankin outside Town Hall after his interview with *New Times*.



Tom Mix, silent film's "King of the Cowboys," died in an auto accident just outside Florence. He's part of the cowboy culture in Florence that defines Rankin.

Rankin has not overseen Florence's small police force directly in almost a decade, but he still likes to remind people of who is in charge. Particularly when he is having one of his infamous public fits of temper.

The most recent of these incidents occurred in May, when an inspector with the Pinal County Department of Health was checking the food booths at a fundraiser for the American Cancer Society, held on the Florence High School football field.

Rankin got in the woman's face, pointing his finger at her and yelling, according to a police report.

"Yeah, I raised a little hell with that," Rankin admits. "I never threatened her . . . Nothing came of it. They looked at filing charges against me. There wasn't nothing to file."

The Coolidge City Attorney investigated the woman's complaint and decided not to bring charges. Rankin says he was riled because the inspector made a fuss over one booth handing out cold pizza and the lack of sinks for food handlers to wash their hands.

He admits he probably said something about the inspector not coming to "his town" to do health inspection.

"Everybody says I call it 'my town,' okay?" grumbles Rankin. "And I do . . . That's just an expression for me. I'm not trying to say that I run the town."

And yet, there are those who say Rankin runs Florence like a personal fiefdom.

"People try to turn it around like I'm trying to say I'm King Rankin or some goddamn thing like that," Rankin says.

On paper, Rankin has no more than one vote out of seven on the Florence Town Council.

But through a combination of bully politics, persuasion, and force of will, he maintains his influence over the 62-square-mile municipality, founded in 1866, that has twice as many incarcerated residents in its 10 corrections and detention facilities than it does non-incarcerated citizens.

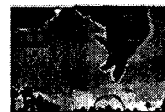


New Times Broward-Palm Beach

Slideshows



Chowing Down at Coachella



Coachella at Sunset 2014



Dancing it Out at Coachella 2014

[More Slideshows >>](#)

VALLEY FEVER



SB 1070 Harboring Provision Won't Be Restored by U.S. Supreme Court



10 Most Stereotypical Ways to Die in Arizona



Top Five Most-Read Phoenix News Stories of the Week

[More News Stories >](#)

Best of Phoenix

2013 - People & Places



Best Place to Find a Vintage Treasure
Burton Barr Central Library



Best Vintage Film Series
Orpheum Theatre

[More People & Places Awards >](#)



As a teenager, Rankin already had decided he wanted to be a "cowboy cop."



The Florence Police Department is now run by Rankin-backed Chief Dan Hughes.



Lieutenant Terry Tryon was hired by Rankin when he ran the force.



Water baron George Johnson and members of Johnson's family donated more than \$6,000 to Rankin's 2012 mayoral campaign. Mayor Rankin supports town policies that dovetail with Johnson's business interests.

The town's 30-officer police force reflects Rankin's prejudices — racial and otherwise — and his adherence to a system of provincial favoritism. Florence's back-slapping style of governance is extolled by the mayor as the best way of doing business.

Florence is Rankin's town. Its leadership, citizenry, and police force bend to his will, even when doing so arguably is not to the town's advantage. Even when following in Rankin's footsteps reaps injustice.

"In eighth grade, I knew I wanted to be a cop," Rankin says. "A cowboy cop."

Asked why he wanted to be a "cowboy cop," Rankin shrugs his shoulders.

But if you visit the Pinal County Historical Society and Museum on Main Street in Florence or leaf through the picture book the society produced in 2007 with the help of Arcadia Publishing, it is apparent why becoming a "cowboy cop" might have appealed to an impressionable eighth-grader growing up in the town.

Displays at the museum feature a collection of memorabilia from cowboy film legend Tom Mix, who died in a car crash just outside Florence, as well as nooses from which notorious outlaws were hanged at the Arizona State Prison, which moved to Florence from its territorial home in Yuma in the early 1900s.

There are displays of guns, saddles, bullets, and badges. Museum guides regale visitors with tales of the 1888 shootout between Sheriff Peter Gabriel and deputy Josephus Phy at the Tunnel Saloon. Or recount legends associated with such Old West outlaws as the murderous Apache Kid or stagecoach-robbing Pearl Hart, the "Lady Bandit."

In the *Images of America: Florence* picture book, there are plenty of photos of cowboys and cowboy cops: mounted cowboy guards from the state prison and wardens in cowboy attire and on horseback.

Also atop a horse in an undated photo from the book is Pete Van Haren, identified as Florence's town marshal from 1946 to 1977. A stern figure in dark glasses, he watches over the parade

Special Reports

Florence Exposed

Yarnell Hill Fire: Investigating the Deaths of 19 Granite Mountain Hotshots

Amy's Baking Company - A History of Kitchen Nightmares - The Original Story by Phoenix New Times

Jodi Arias's Kinky Murder Trial in Arizona

Arpaio Racial Profiling

Sheriff Joe Archive

Babeu Revealed

Arizona's Centennial

Amongst U.S.

Vintage McCain

Target Practice

Wrecking Phoenix

Shadow Dwellers

Scandal at the Housing Authority

Prescription for Disaster

Polygamy in Arizona

Murder City

Major Articles on Joe Arpaio

Green Fatigue

Exploding Downtown

Drive At Your Own Risk

Deconstructing Janet

Crossing the Line

Cracked Houses



Pinal County Supervisor Pete Rios is no fan of Rankin's.

Related Stories

Injustice for All: The Florence PD Compromised Public Safety
November 14, 2013



How Florence Police Sabotaged Investigations of a Child's Slaying and of a Teen's Rape
November 21, 2013



Half-Baked ABC 15 Report Misses the Complete Story on Florence Cops
March 19, 2014



Attorney Demands ABC 15 Retract Story Accusing Police Officers of Botching Cases
April 1, 2014



Half-Baked ABC 15 Report Misses the Complete Story on Florence Cops
March 20, 2014



More About

Tom Rankin	Terry Tryon
Jarris Varn Robinson	Politics
	Local Politics

Like this Story?

Sign up for the Weekly Newsletter: Our weekly feature stories, movie reviews, calendar picks and more - minus the newsprint and sent directly to your inbox.

enter email

unprecedented step of allowing Rankin time off to seek higher office. But Reyes handily beat Rankin, and Rankin returned to his job. Little did he know that he would not be town marshal much longer.

In 1988 and 1989, there already were inklings of discontent. During those years, Pinal County's newspaper of record, the *Casa Grande Dispatch*, detailed a trio of controversies involving the Florence Police Department.

associated with the town's annual Junior Parada, a rodeo for contestants ages 5 to 18.

The caption states that Haren "refused to wear a police uniform, dressing in his cowboy shirt, freshly pressed Levis, and cowboy hat instead."

Rankin's father was not a cop. He was a farmer from Arkansas who also oversaw the farms at the state prison. Rankin proudly tells *New Times* that his mother was born in Florence and that her family settled there in 1905 from Oklahoma.

Tom Rankin graduated from Florence High School in 1964 and quickly began his career in law enforcement. His "home department," as he calls it, was the Pinal County Sheriff's Office, where he was a deputy from 1971 to 1980.

He became Florence's town marshal in 1980.

The most famous bust of his career was that of inmate Robert Moorman, who while on a 72-hour furlough from the Arizona State Prison in 1984, hacked to death his adoptive 74-year-old mother in Florence's Blue Mist Motel, then scattered her remains around town. When Moorman was put to death in 2012, Rankin attended the execution.

Another brush with notoriety came when director Martin Ritt filmed the 1986 movie *Murphy's Romance* in Florence. Starring Sally Field and James Garner, the film offers a friendly, Reagan-era portrait of small-town life.

Rankin appears as an extra in three scenes. One of the movie's main characters briefly refers to him as "sheriff."

A portent, perhaps. In 1992, Rankin, ran against fellow Democrat and incumbent Sheriff Frank Reyes. However, a challenge to Rankin's petition signatures kept him off the primary ballot. So Rankin ran against Reyes as an Independent in the general election.

The Florence Town Council took the

Chronic Truth

[More Special Reports >>](#)

In 1988, the paper reported that an FPD officer pleaded guilty to attempted hit-and-run in a deal with prosecutors that allowed the cop to avoid charges of what was then called DWI (driving while impaired).

Rankin is quoted as saying that the officer would not be fired and would be returning to active patrol duty once the matter was finalized.

In 1989, the *Dispatch* reported that a notice-of-claim letter accused the FPD of wrongly arresting two men who had attempted to repossess a vehicle "belonging to a friend of the police chief."

The council rejected the claim. There is no record that the men followed up with a lawsuit.

Also in 1989, a Florence police sergeant was accused by two citizens of "belligerent" and "unprofessional" behavior.

According to the *Dispatch*, Rankin backed his man, angrily confronting one accuser during a Town Council meeting.

But in 1993 and 1994, complaints against Rankin and the Florence department reached a crescendo, ultimately leading to Rankin's firing on October 21, 1994.

The complaints involved favoritism, racism, and not following the orders of the council and city manager — which were "lies," Rankin tells *New Times*.

The drama played out in the pages of the local paper.

Barbara Whitworth led the charge against Rankin, saying he "abused his power as chief" by "selectively" enforcing the town's sign code to favor his wife, Donna, who was then getting recalled from her position on the Florence Unified School District board.

Rankin denied the allegation, the paper reported. Whitworth later got a court order to prevent Rankin from harassing her, monitoring her movements, or even calling her. Rankin challenged the order, claiming it had no merit, and Whitworth eventually withdrew her complaint.

The *Dispatch's* archives also tell how a neighbor of Rankin's, a justice of the peace, called Florence police and Arizona Child Protective Services in 1994 to report that Rankin yelled at and kicked his 15-year-old daughter in their yard.

Rankin said he was "merely disciplining" his daughter and that the accusations were part of a "conspiracy" against him.

The investigation, farmed out to the Maricopa County Attorney's Office, concluded that there was insufficient evidence to proceed. Child Protective Services declared that Rankin was within his rights as a parent, according to the *Dispatch*.

Whitworth was disgusted, telling the *Arizona Republic*, which also reported on the incident: "Everyone in town knows what kind of temper Tommy has, and yet they're sticking their heads in the sand. I've seen him in action. It's not a pretty sight."

A month after this controversy, another arose, with FPD reserve officer Michael Coomes alleging that he had been discriminated against by Rankin because of his African-American wife.

The officer told the *Dispatch* that Rankin had called him into his office to ask if it was true that he was married to a black woman.

When the man said yes, the meeting ended, Coomes said. Rankin told the paper that he did not recall the conversation.

The tabloid TV news show *Inside Edition* caught wind of allegations against Rankin and headed to Florence to film an episode.

About 40 minority residents of Florence told the news show, according to the paper, that "Rankin was a prejudiced bigot who harasses their children and spews racial slurs while acting as police chief."

This included, according to the residents, "referring to young African-American men as 'boys'" and worse.

In an interview with the *Dispatch*, Rankin denied using racial slurs while on duty as Florence police chief, though he admitted to using a racial slur "once while working for the Pinal County Sheriff's Office," for which he claimed to have written a letter of apology.

The paper also reported that Rankin said he had used the word "nigger" in "discussions with African-Americans during police confrontations."

"That is a word [blacks] use to antagonize and get things started whenever they have a confrontation with law enforcement," he told the *Dispatch*.

The *Dispatch* reported that *Inside Edition* confronted Rankin with a host of other allegations, including that he was on a power trip, gave preferential treatment to Anglo friends, and gambled, drank, and swore excessively.

"I guess I can be blamed for anything that happens in Florence," Rankin told *Inside Edition*, adding, "If I was doing half [what] I am accused of, the Florence Town Council would have stopped me."

Later that year, acting on the suggestion of new Town Manager Bill Galletly, the town council did just that. They fired Rankin, with him and his wife, Donna, in attendance. The *Dispatch* said she was "in tears."

The actual reasons for the dismissal were leaked to the paper the following year.

Allegations against Rankin included insubordinate behavior, refusal to comply with performance standards, having officers engage in harassing conduct, allowing the department to fall below state standards, keeping an officer with an alcohol problem on active duty, and improper use of town vehicles and work time for his personal process-serving business.

Rankin appealed, asking for reinstatement and \$1.5 million in damages. He refused to surrender his gun and his badge to interim Police Chief Jerry Williams, telling the council, the *Dispatch* reported: "Officer Williams works for me. I do not work for him."

He handed over the gun to the mayor but kept the badge, saying the town manager would have to take it "over my dead body."

Despite the theatrics, Rankin was not reinstated. And though he sued, he did not get \$1.5 million. Ultimately, he settled for \$50,000, according to the *Dispatch*.

Nine years later, Rankin still sounds bitter about the incident.

"I was wronged," he says. "Because of all the lies, I was terminated."

He refuses to discuss the amount he settled for, complaining of the financial hit he took.

"I lost my retirement," he says. "I had to use that money to sue."

Rankin would have his revenge, though.

His supporters forced a recall election, replacing the four council members who voted against him. Less than a year after Rankin was axed, the newly seated council fired Town Manager Galletly.

Rankin was living up to what he told *New Times* was the one reason he went into politics: "To get rid of the people who fired me."

In 1996, Rankin's political life moved out of the shadows when he won his first election to the town council. He served as councilman until he ran for mayor in 2004 and won. He remained mayor until 2008, when he was beaten by 10-year councilwoman Vicki Kilvinger by just 23 votes. He moved back behind the scenes until 2012, when he was re-elected mayor.

Through it all, Rankin has remained connected to law enforcement. For instance, he admits that he and his wife keep a police scanner in their bedroom, though he claims it is his wife who listens to it and relays some information to him.

Asked why they keep the scanner, he jokes, "I guess she's snoopy," then adds, "No, we've got kids. And we know people here in town. And she likes to be informed."

Rankin is notorious for showing up at traffic stops and other police calls, particularly if a family member is involved. Though, Rankin claims he does not do this as much as he used to.

"I don't jump up and run to all calls," he says. "There are some of them I will go to, yes. Something major, or [if] some citizen calls me, I'll go."

This has led to several confrontations with town cops over the years.

In his book, *Police Chief Managing Success*, Patrick Cote, FPD chief from 1995 to 1997, describes such run-ins with Rankin, whom Cote describes as having been "a thorn in my side."

Cote writes: "In [Rankin's] mind, it was still his police department, and I was an obstacle in his way."

Knowing Rankin was not going away, Cote ordered his officers to treat Rankin as they would any other citizen. As a result, Rankin was cited in May 1995 for interfering with a government function and for disorderly conduct following a bizarre confrontation with FPD officers Steve MacGregor and Edward Bylina after MacGregor issued Rankin's son, Robert, a speeding ticket.

According to a front-page item in the *Dispatch*, the officers testified during the trial in Florence Municipal Court that Tom Rankin had gotten out of his truck to yell and curse at them.

Rankin testified that he began yelling because MacGregor was ignoring him and looked as though he was getting ready to leave.

Though he was no longer chief, the paper reported, Rankin threatened to fire MacGregor and accused the officer of performing homosexual acts with a councilman and former town manager Galletly.

"Rankin would only say that he 'may have' made such statements," the *Dispatch* wrote.

Officer Bylina testified that Rankin opened the passenger's-side door of MacGregor's vehicle to yell at him.

Afterward, Rankin went to the Florence police station, where a dispatcher addressed him as "Mr. Rankin."

To which he was said to have shot back, "I am the chief!"

Judge Dale Collier found Rankin guilty as charged and sentenced him to two years' probation.

But before his probation was up, Rankin engaged in a more grotesque example of disorderly conduct, for which he was tried and convicted again before Judge Collier in municipal court.

On July 12, 1996, Rankin's other son, 15-year-old Tom Rankin Jr. (whom the Rankin family and town residents refer to as "Tom Tom"), was arrested with another youth for violation of Florence's 11 p.m. curfew.

Tom Tom Rankin already was well known to cops for bad behavior, a reputation he would enhance over the years with arrests for a variety of offenses, according to Pinal County Superior Court records.

Court records also show that in 2003 Rankin Jr. was sentenced to 3 1/2 years in prison and four years' probation for "theft of a means of transportation" and aggravated assault involving a former girlfriend.

But in 1996, he was just a mouthy juvenile delinquent, according to a county Superior Court trial transcript in which FPD Sergeant Kathy Thorne is quoted as testifying that Rankin Jr. taunted officers when he was brought in.

"He was saying that, 'You guys are going to be in trouble now,'" Thorne told the judge. "He said, 'You know better than to mess with me . . . It doesn't matter; my dad will get me out of whatever happens, anyway.'"

Police dispatcher Christy Reed was on duty that evening. Because she could not find a babysitter, she was allowed to bring her 4-year-old to work. The child was half-black.

The state alleged that when Rankin and his wife showed up to collect Tom Tom, they passed by the dispatcher and her child. Rankin then went on a 45-minute tirade liberally laced with the epithet "nigger," Thorne and others testified.

"He was just saying, 'Why are you always picking on the white boys,'" remembered Thorne. "'You guys must be scared of the niggers. You let them go out and do what they want . . . You are harassing us white people.'"

Chief Cote came to the station because of the disturbance. Cote told the court that in his 27 years of policing, he never had witnessed a person berate officers in that manner.

"It was an ongoing escalation of abusive language, racial slurs," Cote testified. "And [Rankin] would not calm down . . ."

Court records show that Reed's child had been in a good mood before Rankin arrived. But after listening to Rankin's slur-filled rant, "the child became upset and sick to his stomach," court documents state.

When Rankin took the stand, the prosecutor pressed him on his use of the slur "nigger."

At first, Rankin denied using it. Then, reluctantly, he acknowledged that he had used the epithet that night.

"You admit that you were there and that you were yelling in a loud tone of voice and you were using the word?" asked the prosecutor.

"As far as I know," replied Rankin, "the word . . . is not unlawful."

Collier found Rankin guilty. Though the former police chief already was on probation, Collier did not order him to jail. Rather, he gave him an additional 12 months' probation, this time supervised.

And he ordered Rankin to attend anger-management counseling.

New Times could not locate a record of whether Rankin received such counseling. If he did, it did not work. Stories of his public fits since that time abound.

Former FPD Detective Jarris Varnrobinson tells *New Times* about an incident in 2012 in which Rankin showed up at a crime scene that the detective was securing.

When Rankin, who recently had been re-elected mayor, politely was asked not to interfere, he put the black detective in his place.

"I'm the mayor, and I can do whatever the fuck I want," Rankin said, according to Varnrobinson.

Asked by *New Times* whether he has a temper, Rankin answers with a stare: "Yeah. Have I learned to control it? Somewhat. Don't piss me off."

It's ironic that one of Rankin's 13 grandchildren is a biracial 2-year-old, the daughter of his youngest son, Tom Tom, and an African-American woman.

"She's half-black. So?" Rankin says. "She's my granddaughter. I don't give a shit what color she is."

On Rankin Jr.'s Facebook page, a photo shows the girl sitting on a horse with her grandfather.

"I think everybody's got prejudice," Rankin says. "Against people, not races. You like some people, you don't like some people. That's being prejudiced."

He insists that his views on race have not changed over the years.

About the 1994 allegations by minority community members concerning his use of racial slurs, he says, "It wasn't true at the time, and it's not true today."

After uncovering the transcript of Rankin's admission under oath that he used the word "nigger," *New Times* attempted to question Rankin again. He refused subsequent interview requests.

For the most part, Rankin never got along with the men who took over his former job as police chief. Bob Ingulli, a former New York Police Department lieutenant who served as Florence chief from 2000 to 2012, was no exception.

"He has a hot temper and a history of threatening people," Ingulli, now police chief in Kearny, says. "He did it to me twice."

In fact, before he was elected mayor in 2012, Rankin promised Ingulli he would have him fired once he was mayor again.

Rankin beat his opponent, Lina Austin, in March of that year. By July, Ingulli was gone, fired by then-Town Manager Himanshu Patel, who did not respond to interview requests from *New Times*.

But Patel went along with the July hiring of disgraced former Surprise Police Chief Dan Hughes as Florence chief and with the firing later of two competent FPD detectives: Walt Hunter and Jarris Varnrobinson.

Their dismissals, their appeals, the reinstatement of Hunter with a demotion, and the upholding of the termination of Varnrobinson — the town's only black detective — were subjects explored in part one of *New Times*' "Florence Exposed" series ("Injustice for All," November 14).

Rankin claims he does not involve himself in police department personnel matters. But as mayor, he has influence over who becomes town manager, the official who controls the hiring and firing of cops.

"I would never have hired those two," Rankin says of Hunter and Varnrobinson.

Asked why, considering that the two men solved hundreds of crimes together and received awards and commendations for their actions, Rankin cannot offer specifics.

He is not shy about saying he despised Ingulli, though the former chief's leadership arguably led to Florence's twice winning a coveted spot on Neighborhoodscout.com's list of the 100 safest cities in the United States.

In 2012, the website named Florence the 29th-safest city in the country, and in 2013, it won its current ranking of 17th. The awards were based on FBI crime statistics for 2010 and 2011, respectively, years when Ingulli was in charge of the FPD.

"I saw too much of his political moves when he was chief of police here," Rankin says, continuing that he did not like Ingulli's "attitude toward me."

This may be because Ingulli would not kowtow to Rankin.

"Rankin's never changed," Ingulli says. "There were times when we would have discussions, and I would tell him, 'That's an old way of doing things; I'm not doing that anymore.' He didn't appreciate that."

To replace Ingulli, Patel and Rankin arrived at Dan Hughes, who had resigned as Surprise's police chief in 2010 after 78 percent of that agency's officers cast votes of no confidence against him.

In Surprise, Hughes was accused of making improper comments about Hispanics, trying to fix a traffic citation for a city councilman, and abusing the department's disciplinary process.

He also has a blemish on his résumé from his time as an assistant chief at the Springfield Police Department in Illinois.

Before Hughes left that post in 2002 for the position in Surprise, two Illinois newspapers reported that Hughes was accused of filing a misleading internal-affairs complaint against African-American policewoman Renatta Frazier, suggesting that she failed to prevent the rape of a colleague's daughter by two black men.

The SPD's treatment of Frazier became a racially charged scandal in Springfield. Frazier sued Springfield, and the city settled the case for \$829,000.

Rankin says he met with Hughes before he was hired and "liked what I saw." Hughes' past was not a concern.

"I'm not worried about his history," Rankin says. "I have a history."

Asked why he thought Hughes, with his checkered past, was brought in to replace him, Ingulli says, "It appears that Hughes either thinks like [Rankin] does or listens to what he has to say."

Hughes quickly found an ally in Lieutenant Terry Tryon, an FPD veteran hired by Rankin when he was chief.

Personnel records released by the town and entered into evidence during Hunter and Varnrobinson's appeal hearings show that Tryon helped Hughes build a case for firing the pair.

In memos, Hughes ordered the partners not to work cases together and not to ride together on duty without supervisory approval.

At the appeals hearings in September, Hunter testified that Hughes avoided interactions with Varnrobinson and even avoided looking at him.

"I told Varn I thought Hughes was a racist," Hunter said under oath.

The town's rationales for firing the detectives were nearly identical. Yet Varnrobinson's termination was upheld and Hunter's was not. The white officer was demoted and suffered a 5 percent pay cut instead.

Both are appealing their cases to county Superior Court.

Varnrobinson's dismissal has drawn criticism from the Reverend Oscar Tillman, president of the Maricopa County NAACP, which Tillman says will provide Varnrobinson with legal assistance.

Tillman blamed the treatment of the men on "the caliber of the people" in power in Florence.

He also noted that the ex-detectives acted as whistleblowers.

Indeed, both men complained to the town about the behavior of Lieutenant Tryon, whom they accused of incompetence and favoritism and of returning evidence to witnesses and a suspect in two serious criminal cases, one involving a 2008 home invasion that Varnrobinson investigated and the other a 2007 sexual assault.

In the home-invasion case, Tryon returned an AR-15 semiautomatic rifle, which had been confiscated by Varnrobinson from the suspect so it could undergo ballistics testing.

The owner of the rifle was white and an acquaintance of the lieutenant's.

When Hunter, on behalf of his partner, objected to Tryon's action, the now-former detective tells *New Times* that Tryon said, "Varn can't go around taking guns from every white boy in town."

Hunter's complaint resulted in Tryon's reprimand by the town manager.

Varnrobinson's complaint was handed over to the Arizona Department of Public Safety for investigation.

During the DPS investigation, Tryon admitted to returning the weapon to its owner, saying he had the right to do so.

The sexual-assault case involved a 16-year-old girl allegedly raped by at least one Florence High School football player at a 2007 party in the desert.

Hunter was lead detective on the case, but Tryon butted in despite his having a conflict of interest because his son was on the football team and knew others at the party, including the prime suspect.

Tryon's son also had taken the highly inebriated victim to the police station on the night of the incident.

In addition, Tony Jimenez, principal of Florence High School at the time and currently an assistant superintendent of the Florence Unified School District, is the brother of Tryon's wife, Sylvia.

Nevertheless, Tryon caused cell phones containing photos and video of the alleged sexual assault to be returned to the students who owned them.

This happened *before* Hunter could obtain warrants so that the evidence on the cell phones legally could be downloaded for use in court.

No one ever was charged in the case.

In the end, the Pinal County Attorney's Office declined to bring charges against Tryon for tampering with evidence, concluding that there was no reasonable likelihood of convicting him.

Part two of *New Times*' "Florence Exposed" series ("Suffer the Children," November 21) focused on two cases mishandled by the FPD: the alleged rape and the 2009 shooting death of 9-year-old Dustin Kemp.

In the killing of the boy, lead Detective Renee Klix, an ally of Tryon's, based her investigation on the premise that Dustin's 2 1/2-year-old brother removed a loaded .45-caliber semiautomatic Kimber 1911 handgun from a "hidden" table drawer and shot his brother through the head from five feet away.

During the appeals hearings for the fired detectives, it was revealed that Varnrobinson, Hunter, ex-FPD chief Ingulli, and then-Deputy County Attorney Greg Hazard all believed that Dustin's out-of-work dad, James Kemp, was responsible for the shooting.

In fact, during a taped 2012 discussion of the case, Hazard told Varnrobinson, "I think the father did it, I really do."

Varnrobinson and Hunter had been ordered to re-investigate the case by Chief Ingulli because Klix had done a poor job handling the crime scene and had failed to conduct a formal interview with James Kemp to confront him about his suspicious behavior and statements.

After Ingulli was fired and replaced with Hughes, the new chief accused Hunter and Varnrobinson of attempting to discredit Klix and Tryon (who also was at the Kemp crime scene) by re-investigating the Kemp case.

But based on Ingulli's appeals-hearing testimony that he had asked Varnrobinson and Hunter to look into the Kemp case, hearing officer Richard McAnally ruled against the police department.

However, McAnally did use a tangential allegation — that Varnrobinson had surreptitiously recorded then-Deputy County Attorney Hazard — to justify the black detective's firing. This, even though it was standard procedure for Varnrobinson to record the statements of those involved in investigations.

As part of a deal with prosecutors, James Kemp pleaded guilty on October 18 to a single charge of domestic-violence endangerment and was sentenced to a year of supervised probation.

Pinal County Attorney Lando Voyles, like many top prosecutors, claims to be a tough-on-crime zealot.

In a statement to the *Florence Reminder* and *Blade-Tribune*, the Republican county attorney blamed his predecessor, Democrat Jim Walsh, for allowing the Kemp case to "languish."

He called Dustin Kemp's killing "a tragic accident" and claimed that Klix's investigation had been "lengthy and comprehensive."

Voyles told the *Reminder*, "In this case, there was no evidence that James Kemp did anything more than endanger his children by storing his guns unsafely."

Noteworthy is that Hazard, who worked at the County Attorney's Office until recently, was the prosecutor who pulled the case from a grand jury because he found it riddled with unanswered questions, and that Klix's "lengthy and comprehensive" investigation involved *not* doing a formal interview of the main suspect.

As was discussed in parts one and two of this series, nothing happened with the Kemp case until June, when *New Times* requested all relevant documents from the County Attorney's Office and Florence, both of which denied the requests initially.

In August, Voyles' office began to re-evaluate the case. And, in October, James Kemp was quietly charged and pleaded out. Voyles made his comment a week after part one of this series was published and one day after part two was published online.

Interestingly, Rankin and Voyles are not political allies. The mayor says he backed incumbent and fellow Democrat Walsh in the 2012 election.

"If you ask me, Lando Voyles needs to go back to Maricopa County and learn how to be a prosecutor," Rankin tells *New Times*.

Rankin's distaste has more to do with money than party politics.

When he is not maneuvering politically, Rankin works as a process server. On almost any weekday morning, he can be found at the Pinal County Clerk of Court's Office, researching individuals he plans to serve that day.

According to his financial-disclosure statement with Florence, Rankin is vice president of the Pinal County Messenger Service, which has had a contract with the county for at least 18 years.

Records show that the county has paid Rankin's company \$821,637 since 1995.

In fiscal year 2013, the company was paid more than \$65,000 by the county. Though on average, Pinal County pays the service from \$40,000 to \$50,000 a year.

A large part of what Rankin traditionally did for the county involved child-support enforcement. But this year, Voyles pushed to return this responsibility to the Arizona Department of Economic Security — and the DES took it over on July 1

"That guy Voyles cost me \$40,000 a goddamn year when he shut down the child-support system here in Pinal County," Rankin says. "We had a good system here."

Rankin has what some might call an anachronistic concept of what constitutes a good system.

This was on prominent display during a Town Council meeting on September 4, 2012.

Scott Bowles, then Florence's economic development coordinator, shared with the council the results of a survey of Florence businesses. In all, 82 businesses were queried about such issues as the town's strengths, weaknesses, and business climate.

The businesses' names were kept confidential. One portion of the survey asked businesses to identify barriers to growth in the town.

The results rocked the council: The plurality of respondents, 25 percent, cited a "good ol' boy system of politics"; 21 percent said the greatest barrier was "a resistance to growth and change"; and 6 percent described a split between the "old blood" and "new blood" in the town.

Most council members disagreed with these perceptions, but one took them as a point of pride: the mayor.

"I'm part of the good ol' boy [network]," an obviously annoyed Rankin said at the council meeting during which the results were discussed. "I was born and raised here in Florence, Arizona. And if the people don't realize what happened in the '50s and '60s, a little history probably gonna do you some good."

Rankin continued his tirade, discussing how business in Florence once flourished, with "two of everything" on its historic Main Street, which, would resemble the set of a Hollywood Western if not for its paved road.

"We've run off more businesses in this town than you guys have created," Rankin told Bowles and businesspeople in attendance. "Back in those days, there were certain businesses that . . . weren't allowed to come to town. The competition kept 'em out because they had control of the town council."

He argued that he always championed annexation of other areas and growing the town, closing his rant with one of his mantras: "Housing is what's going to develop business in this community."

However, Rankin's motives regarding town policy have been known to benefit him, his friends, or his family, either directly or indirectly.

Take the case of multimillionaire water baron and developer George Johnson, owner of Johnson Utilities, which provides water and sewer services for the San Tan Valley and parts of Florence:

Johnson is a longtime supporter of Rankin's. According to Rankin's campaign-finance reports, Johnson and members of his family gave more than \$6,000 to Rankin's 2012 campaign for mayor.

Also during the election, Johnson Utilities' newsletter to its customers featured Rankin among its choices for "Best Florence Council Candidates," using a smiling photo of him in his cowboy hat.

Rankin's eldest son, Robert, works for the Johnson-owned Oasis Golf Club as superintendent. His photo can be seen on the company's website.

Tom Tom Rankin once worked for Johnson Utilities, but his employment ended badly in 2012, when a protective order was issued by a Superior Court judge for what were described only as his "multiple acts of workplace harassment."

The order later was lifted, but former employees tell *New Times* that Rankin Jr. did not return to work there.

Court records also show that in 2003, Johnson loaned \$5,000 to Rankin Sr.

New Times contacted Johnson to ask about his relationship with Rankin.

"The only thing I know about Mayor Rankin is that he puts Florence at the top," Johnson said. "He looks out for what's best for Florence."

Johnson would not answer specific questions, though.

In turn, Rankin is a vocal supporter of Johnson Utilities and George Johnson, specifically. In February, he and four other council members voted to grant Johnson the right to provide water to customers in the southern part of Florence.

Johnson said he needed the rights so that he could build a 6,000-home development, a dude ranch, and a spa. The town's attorney and assistant manager warned that Florence should make sure it gets something in return for the deal. But Rankin championed handing over the rights to Johnson.

Rankin's stances on other town policy issues — from his opposition to a planned copper mine in town to his vehement objection to the incorporation of the San Tan Valley — mirror Johnson's views.

"He's not done anything to hurt me, Florence," Rankin says, when asked about Johnson. "When I say 'me,' I'm talking [about] the town. If he had done something to hurt the town, I might not feel the same way."

A source familiar with power brokers in Florence says there is a "constant environment of intimidation" from Rankin at Town Hall. The source says the new town manager is "just a puppet for the mayor."

One of the few businesspeople willing to discuss Rankin's rule on the record is Cindy Sills, owner of Belva's Real Estate on Main Street, opened by her mother in 1999.

She tells *New Times* that she loves living in a "small town" but that she is worried about the loss of certain town employees, whom she feels were good for the community.

"The former police chief, Bob Ingulli, he was such a great guy," she says. "He always went around talking to business owners. He was so involved. And the economic development coordinator, Scott Bowles, had such a good vision for the town. His heart and soul was in it."

Sills says she has never met Hughes. But how long Hughes will last in the chief's chair is up for debate. Sources close to the police department say Terry Tryon recently attended command school and covets the position of police chief.

"Remember, Tryon came up under Rankin," Ingulli says. "He's one of those who's wedded to the old way of doing things."

That is, Tryon fits the Rankin model of law enforcement, unlike Ingulli, who resisted Rankin's interference.

At one point, Ingulli sought to eliminate Tryon's position as lieutenant. According to Tryon's personnel file, he was offered a position as sergeant instead. But for unknown reasons, the deal was scotched and Tryon remained lieutenant.

(Note: Florence denied repeated requests by *New Times* to make Tryon, Klix, Hughes, and other members of the FPD available for interviews.)

Asked about his relationship to Tryon, Rankin calls him a "friend," but not the kind of friend with whom he socializes.

Asked whether he protects Tryon, Rankin says, "If Terry's right, I'll back him 100 percent. If he's wrong, I'll back him 100 percent to make sure he's treated right."

Rankin says he would do that for anyone, to ensure fair treatment.

But Rankin's critics say his interest in fair play pertains only to his friends.

One source puts it this way: "If you want to survive in that environment, you've got to do what Rankin and his people say."

Pinal County Supervisor Pete Rios has known Rankin for about 20 years.

"Tom Rankin would have been a great sheriff in the 1800s," he says. "I think he was born a little bit too late."

As for Rankin's tight hold on the town, Rios says, that's democracy: "People still voted for him. That's the type of leadership they want, [so] that's the type of leadership they have."

Show Pages

Related Content



EXHIBIT D



What Do You Think San Tan Valley?

Published in Opinions

Print

Email

Like { 3

Tweet { 0

8

Tagged under

I have read all the articles and mailings concerning the purchase of Johnson Utilities (JU) by the Town of Florence. I am totally mystified as to why our Town Council would even consider such an action. There are too many unanswered questions and risks. Why would George Johnson want to sell his company at an undervalued price? Is it because of the risk of liabilities facing JU? ✓

There have been reports of water leaks, wells failing, sewer problems, contaminated ponds, and lawsuits. And let's not forget the substandard infrastructures that JU inherited from some developers and at no fault to JU. Also, representatives of JU reported that if the Florence Copper Project was successful in their application for in situ mining, they would

*johnson utilities, Town of
Florence, George
Johnson, tom rankin,*

definitely pollute the aquifers which could cost up to one million dollars per well for filtration for approximately 50 wells.

So, it appears that JU is trading all this liability for \$120 million of tax free municipal bonds which will earn \$201 million over 30 years per for a total cost of \$322 million, per the April 10, 2014 Florence Reminder. Sounds pretty good to me, \$10.7 million a year, tax free, no liability and no worries about the day to day operations. If the town should default on the bonds, JU would get the properties back. JU projects an income of \$30 million in 2015. That being said, the new utility operations will have to make a 36 percent profit to pay the annual \$10.7 million bond and interest payments. That is difficult to believe.

Why has Mayor Rankin not recused himself for all proceedings in this matter? According to an article in the Phoenix New Times, 12/05/13, "Johnson and members of his family gave more than \$6,000 to Rankin's 2012 campaign for mayor." Also in the same article: "Court records also show that in 2003, Johnson loaned \$5,000 to Rankin Sr." This certainly appears to be conflict of interest at the least. You may read the complete article here. Why was it such a good idea to give water rights away a year ago, only to now, buy them back? Doesn't that make you wonder, what is going on? ✓

Why does our little town of approximately 6,000 homes think that they can manage a utility company for 56,000 connections? The town recently decided to turn over garbage collection to a private company because the private company could do a better job at a lower price. If the town cannot manage three garbage trucks efficiently, how can they operate a \$120 million utility company? This just does not make sense!

I agree with Vice Mayor Tom Smith's statement that "if everything goes perfect. How often do you see everything go perfect?" How can anyone believe that there will not be problems with an aging water/sewer utility company with most problems being unknown and underground? One glitch and the town will have to pay to fix the problem(s). This is really buying a "pig in a poke".

What about the golf course? Most municipal golf courses are money pits. JU says that some years the course breaks even? Who will subsidize the course in bad years? How many Florence citizens use this course? What are the liabilities there? What happens when Pinal County

completes the current four lane project on Hunt Highway? How will the golf cart crossings be handled? Will the county require over/under passes for the golf carts? Who will pay for that? Again, Vice Mayor Smith pointed out the possible risk to the neighboring home owner, if the Town chooses to close the golf course. Pulte has subsidized the golf course in Anthem for years and continues to do so. Where is the money to come from for the town to subsidize a golf course? Only one place, our taxes. And all of this is currently outside of our town limits. Is the plan to annex all of San Tan Valley into Florence?

The town has so many other needs and issues that should be addressed, why are we wasting money and time on such a high risk venture? Why are we not spending our time and resources on ventures that will bring new jobs to Florence; new businesses, a business park, stores, restaurants, the north end project, etc.? The JU venture will not bring any new jobs or new wealth to Florence, just more risks and probable expenses to the town. This is just a change in ownership and a transfer of liability. We are seeing a professional publicity campaign to convince the citizens to vote for this deal. Just think about who is paying for this campaign and why they are doing so. There is no organization to fund a campaign against this deal. It is up to us citizens to make our neighbors aware of what is going on. **Please be vocal on this issue and encourage your neighbors to vote against the town buying JU.** And to our Town Council, please stop this boondoggle.

Share Tweet 8+1

Like Share 3 people like this. Sign Up to see what your friends like.

Last modified on Thursday, 01 May 2014 10:01

More in this category: « Florence Please VOTE NO on JU Sale Babeu Gives Away Over \$1.3 Million But Demands More Taxpayer Money »

AROUND THE WEB

WHAT'S THIS?

Julep Beauty

Celebrities NOT
Going to KimYe's

POPnHOP

13 Celebrities with
Awesome and

Newsmax Health

Heart Attack: How
Your Body Warns